

# PROJECT ASSESSMENT REPORT



## DIAMANTE DEL MAR SOUTH

Cabo San Lucas, Baja Sur, Mexico

Prepared For

**LEHMAN BROTHERS HOLDINGS**

By

 **CM&D**  
Construction Management  
& Development – Hawaii LLC

**February 16, 2006**

Only six days  
before the  
February 23, 2006  
closing date  
(already extended  
30 days)

# PROJECT ASSESSMENT REPORT

## DIAMANTE DEL MAR SOUTH

Cabo San Lucas, Baja Sur, Mexico

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## **EXECUTIVE SUMMARY**

### **SCOPE OF THE REPORT:**

Lehman Brothers Holdings has been approached by Daimante Properties LLC to provide the funding for their development in Cabo San Lucas. The Financing Request Term Sheet ("Term Sheet") prepared by Diamonte, the Borrower, requests a loan of \$100 million for a 30 month note at 15% interest per annum compounded annually. A Loan Fee of two percent (2%) is to be paid at the closing of the loan. The Term Sheet stipulates that up to \$70 million will be utilized for the acquisition of the property of the project. The Term Sheet also contains provisions for 6 month and 12 month extensions of the note.

Lehman Brothers Holdings, the Lender, has requested CM&D to perform a due diligence review of the project including review of government approvals, budgets, environmental reports, structural reports, proforma budget, contractor bids, architect's master plan drawings, and uses of all funds and fees to be paid by the Borrower to the Lender.

CM&D has reviewed the documentation provided by the Borrower, as well as information accessed on the Lender's web page, in preparation of this project assessment report. CM&D has also reviewed the cash flow projections provided by the Borrower, with regard to costs associated with the proposed development, and has provided a Conceptual Statement of Probable Cost. The Statement of Probable Costs is submitted as a separate document.

### **PROPERTY LOCATION:**

The Property is located ten minutes from downtown Cabo, but is more than thirty miles from the existing San Jose del Cabo Airport. The drive from the airport terminal to the Property takes approximately one hour, goes through the town, and is "non-scenic". The new International Cabo San Lucas Airport, although only ten minutes away from the Property, is not yet certified for international flights and may not be accessible from the United States.

Factors that may negatively affect the Project include 1) the prediction by the US Weather Service for a major hurricane season in the Caribbean for the year 2006, which may also impact the Pacific Coast of Mexico, and 2) unconfirmed information that the Governor of Baja Sur has interests in property immediately north of the site, which may be of concern because he may have a negative effect on approvals processing at the local level for developments in the vicinity.

### **ZONING & ENTITLEMENTS:**

The beachfront area is owned by the Mexican Federal Government and is under the jurisdiction of SEMARNAT, a ten person federal agency which reviews developments and, in particular, the impact of a development on the sand dunes in the area. As can be expected with bureaucratic agencies similarly tasked, the performance of the approval process may not be reliable.

A "concession" fee, estimated at \$500,000 for a ten (10) year period, may be exacted by the Mexican government. The amount and duration appear to be determined by SEMARNAT and may expose a development to an "extraction" or "impact fee" imposed by the governing authorities.

The Master Plan is at the schematic level and has been submitted to regulatory agencies for their review and p approval. The architectural design and engineering is at the conceptual stage; formal architectural services will proceed next month.

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These are some of the docs Jowdy used to avoid Arrest in Mexico Federal District Court (in Mexico City) claiming he had NO PARTNERS and 100% of the funds were his -- See 2008 Danska loan extension docs

25 Filed 11/21/08 Page 4 of 32 PageID #: 254  
Controlled 100% by Jowdy and Najam -- without Kenner and any Kenner investors...  
More Jowdy and Najam frauds re-ownership on page 8...

**OWNERSHIP:**

Diamante Properties, LLC ("Diamante") has paid \$6.6 million on a \$68 million purchase price which must close on February 23, 2006, essentially nine (9) calendar days of this report.

**DEVELOPMENT CONCEPT:**

**Development Proposal:**

Diamante plans to use approximately 1,500 acres and approximately 1.5 miles of coastline to develop a private and semi-private golf community referred to as the "*Cabo Club*"<sup>1</sup>.

The *Cabo Club* will be a very exclusive private club planned for two world class golf courses. The Phase I improvements includes the "*Dunes*" golf course, with a budgeted cost of \$5 to \$8 million. This phase will also feature spectacular ocean view home sites and luxury private residence club villas and casitas. Twenty (20) residences are to be located along the beach, and twenty (20) villas will be located on the dunes. One hundred twenty (120) villas will be located in the central portion of the site.

CM&D did not have access to documents pertaining to the design and engineering of the roadways, or to any documents pertaining to corresponding infrastructure and utilities that are usually routed in the road right of way with the exception that 47.2 acres are allocated for roads and parking. The Conceptual Statement of Probable costs has based its assumptions of roadway dimension and lengths for its cost budgeting on this allocation.

**Projected Costs:**

Time constraints and limited access to cost verification data has restricted a detailed comparison or confirmation of the proposed budget items in the provide cash flow projections.

Two site development / cash flow projections were provided for review. The first, dated 01/25/06, was for \$120,101,670 improvements costs, and a second prepared nine days later, dated 02/03/06, was for \$123,287,570. Generally, although there is a negative change of approximately eight percent (8%) for land costs, the overall projected expenses reflect a two percent (2%) increase within the nine day period between the two cash flow projections.

For the purpose of this report, this review focused on the most recent cash flow projection, 02/03/06 (the Development Budget).

In our review of the Development Budget, we noted that the loan fee (2%), calculated at \$200,000, is not included as an expense item at the start of the loan period in the first quarter of 2006. In addition, the expense of the loan payment, expected to be approximately \$4 million per month based on amortization projections, is not included in the budget. The Development Budget is projected over a 48 month period, with an income projection of \$114 million at the end of the 30 month note. This is much less than the repayment amount, principal, and interest of approximately \$120 million.

In our interview with Greg Carrafiello, Mr. Carrafiello indicated that the house lots and inland residences will have individual waste treatment systems. He added that there will be a wastewater treatment plant provided to serve the luxury residences, the hotel, and the commercial facilities. Mr. Carrafiello also noted that they intend to supplement the golf irrigation system with reclaimed wastewater. However, no budget item for a wastewater treatment plant can be identified in the provided Development Budget.

<sup>1</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

In our review of the detailed items included in the Development Budget, several items typically associated with a development of this scale and character appear missing. These items include: 1) vertical construction of the villas and luxury residences; 2) wastewater treatment and/or disposal; 3) common maintenance facilities; 4) private security system and facilities; and 5) other *italicized* line items in the Conceptual Statement of Probable Cost. These items will require verification.

**PROJECTED SCHEDULE:**

Diamante expected to have approval of their Environmental Impact Statement from SEMARNAT by the end of January, 2006. However, the Cascade Capital Group indicated in its November, 2005 report that there could be "no way" approval would be obtained before the expected option closing date of February 26, 2006.

In addition to the above, Diamante is proposing the establishment of a golf tournament, the "*Diamante Cup*", to be broadcast sometime between January and July, 2008. To meet this proposed broadcast schedule, construction of the *Oasis Course* will require a start date of June 2006 and no later than December 2007. The cash flow projection indicates the construction of the Golf Course #1 beginning July 2006 and completion in September 2007. According to information provided by Mr. Carrafiello, the Golf Course #1 is the "*Dunes*" golf course. This golf course and the clubhouse will be built in Phase I of the development. The "*Oasis*" golf course has been deferred to a future phase of the development.

In our review of the Development Budget, it appears that construction of common infrastructure site improvements is coincidental to the design and engineering.

**EVALUATION & RECOMMENDATION:**

The development concept is grand and ambitious with regard to its scale and target market. Only two of the three comparables provided by Diamante are in the near vicinity and appear to have similar market responses.

There is a lack of infrastructure throughout the property. Installation of these improvements, essentially from scratch, will be necessitated. Although there is a budgeted amount for basic and specific infrastructure improvements, detailed breakdowns and backup references are not available. Furthermore, there is no ready comparison of recent similar improvements to confirm the budgeted projections.

The cash flow projections provided for review do not include the costs for vertical construction of the residential buildings, or for wastewater facilities. If, as stated in the Financing Request Term Sheet dated January 6, 2006, \$70 million of the \$100 million loan amount is for the acquisition of the property, it is questionable that the development can be completed as currently budgeted.

The Master Plan layout places great emphasis on an ocean orientation. If this is true, it seems odd that the private premium golf course is situated inland of the public/private golf course. Relocating the premium golf course and luxury residences to maximize ocean views may improve the marketing return significantly. Furthermore, the opportunity for residential development of fairway villas has been overlooked. Integrating the residences and house lots within the fairways of the inland public/private golf course may benefit both the accessibility of the course, as well as provide an additional benefit to the residences. There may be significant increased value available with this recommendation, which can offset and/or accommodate the unaddressed costs for the infrastructure improvements.

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**PROJECT DATA / DEVELOPMENT TEAM**

<b>PROJECT NAME / ADDRESS</b>	DIAMANTE DEL MAR SOUTH - Phase 1 El Cardonal Cabo San Lucas, Mexico
<b>DEVELOPER:</b>	Diamante Properties LLC 2 Dogwood Drive Danbury, CT 06811 Tel: (917) 658-7431 Fax: (203) 205-0016 Kenneth A. Jowdy, President/CEO William J Najam, Jr, Chief Operating Officer Gregory Carrafiello (Permitting/ Planning)
<b>ARCHITECT/ PERMITTING CONSULTANT:</b>	ACERO
<b>GOLF COURSE DESIGNER:</b>	Love Golf Design
<b>HYDROLOGICAL:</b>	HIDRO Project
<b>ENVIRONMENTAL:</b>	Juan Carlos Burgueno Aburto

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## **PROPERTY ASSESSMENT REPORT**

### **PROPERTY INFORMATION**

#### **Location:**

The Property is located on the south/southwest shore of the Baja Peninsula, adjacent to Sunset Beach and the Pueblo Bonito Developments, and is ten minutes from both downtown Cabo and the new International Cabo San Lucas Airport<sup>2</sup>.

Located approximately in the same latitude as the Hawaiian Islands (15 degrees/30minutes north), the climate can be considered in a "tropical" and is expected to have the same orientation to seasonal sunrises and sunsets. However, 2006 is anticipated to be a major hurricane season

There is unconfirmed information that the Governor of Baja Sur has an interest in the property immediately north of the site.

#### **Description:**

Aerial site photos<sup>4</sup> show a generally vacant property consisting of a large sandy beach area fronted by sand dunes, with relatively flat open area inland. A review of the topographic map<sup>5</sup> provided reveals sand dunes of significant height covering approximately the shorefront third of the property.

According to the documents, a four lane highway transverses east to west and bisects approximately the middle of the site.

Cabo San Lucas remains more or less a one traffic stoplight town. The area is noted for its big game fishing, beaches, surfing, whale watching and scuba diving. Presently, the area is enjoying an increase in property value and development, catering to younger buyers than the current "baby boomer" generation. The increases in property values are in the range of 10% to 19%.

### **ZONING & ENTITLEMENTS:**

According to the documents provided for review,<sup>6</sup> the property has land use designations of "RT" and "RTO", which is zoned for urban development for high end tourist use by the Municipal Master Plan.

The beachfront area is owned by the Mexican Federal Government; however the beachfront boundary is unconfirmed. In conjunction with any development proposal, approvals are required from SEMARNAT, a ten person federal agency that provides review of Environmental Impact Statements (EIS) and, in particular, the impact of a development on sand dunes in the area. Although the review period should take sixty (60) days, the projected schedule provided indicates thirteen (13) weeks, and the Cascade Capital Group report concluded that there is "no way" approval will be in hand before the option closing date of February 26, 2006.

Although the area between the property boundary and the shoreline is a Federal Zone, it can be developed for certain activities as approved by SEMARNAT and may be concessioned to upland property

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<sup>2</sup> Diamante Properties LLC Development Overview and Cabo Club Summary, and schedule, author unknown, date not recorded. (Document created 07/14/05)

<sup>4</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

<sup>5</sup> Topographic Map, dated March, 17, 2005

<sup>6</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

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owners with the approval of SEMARNAT. The approval process is expected to take four to six months, and there may be a "concession fee" estimated to be \$500,000 for a 10 year period.

#### **INFRASTRUCTURE:**

##### **Water:**

The documents provided for review do not indicate the existence of basic infrastructure for water availability.

Diamante indicates<sup>7</sup> that the previous owners gave the city seven acres for the location of a desalination plant. In return, the municipality is to construct a new road, complete with utilities from the main road to the ocean. The document states that the road is under construction, however, there is no information regarding route of the road with regard to the Master Plan.

The Master Plan provided for review<sup>8</sup> indicates a site location for a desalination plant on 4.7 acres and wells/pump on 1.5 acres, which would correspond to the previously referenced seven acres. During a telephone interview on 14 February 2006 with Bill Najam of Diamante Properties LLC, Mr. Najam indicated that the desalination plant is currently under construction by the Municipality, and includes a service road that will be available for use with the development's improvements. Mr. Najam is referring all technical inquiries to Greg Carrafiello.

A follow up telephone interview with Greg Carrafiello was made that same day. Mr. Carrafiello confirmed that the desalination plant is under construction by the Municipality, but its intended use is for the municipality, not the development. The development will construct its own private desalination plant to service the water demand of the development. The planned location of the private desalination plant is adjacent to the municipal desalination plant. Mr. Carrafiello also informed CM&D that the service road that is being constructed by the Municipality straddles the property line of the adjoining parcel, two lanes on either side. This road will be available for access to the development property.

##### **Wastewater:**

None of the documents provided for review had information regarding wastewater treatment or disposal improvements.

##### **Site Engineering:**

The documents provided for review do not indicate the existence of roads, site drainage, or geotechnical conditions.

##### **Utilities:**

The documents provided for review do not indicate the existence of basic utilities such as electrical power or telephone communications services.

##### **Environmental:**

The documents provided for review do not indicate the existence of any environmental concerns.

##### **Archaeological:**

The documents provided for review do not indicate the existence of any archaeological concerns.

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<sup>7</sup> Diamante Properties LLC Development Overview and Cabo Club Summary, and schedule, author unknown, date not recorded. (Document created 07/14/05)

<sup>8</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.



100% fraud on  
Kenner and the  
Kenner investors...

#### **OWNERSHIP:**

##### **Owner:**

According to documents provided for review, Diamante Properties, LLC has under contract land in excess of 3,000 acres with over 3.8 miles of Pacific Coastline<sup>9</sup>. During a telephone interview with Bill Najam on February 14<sup>th</sup>, Mr. Najam informed CM&D that the development was limited to the approximately 1,500 acres indicated in the Master Plan. He added that the reference to the 3,000 acres was a previously proposed option that was not executed.

The documents indicate that Ken Jowdy<sup>10</sup> has paid \$6.6 million to date on a \$6.8 million purchase price which closed on January 24, 2006. There is a "free" 30 day extension until February 23, 2006.

Bill Najam and Ken Jowdy are the points of contact for Diamante Properties LCC. The documents also name Greg Carrafiello in a memo from Ken Dowdy, dated October 17, 2005, regarding "Weekly Action Items".

#### **DEVELOPMENT CONCEPT:**

##### **Development Proposal:**

Diamante plans to use approximately 1,500 acres and approximately 1.5 miles of coastline to develop a private and semi-private golf community referred to as the "*Cabo Club*"<sup>11</sup>. Diamante is in the process of Master Planning the remaining acres to make it available to hotel and resort developers for future developments.

The topographic map indicates that the site is 6,055,145.929 square meters, or approximately 1,513.78 acres. (EXHIBIT A)

The *Cabo Club* will be a very exclusive private club with two world class golf courses. Both golf courses will be designed by leading golf course designers whose firms enjoy international reputations. The \$15 to \$20 million "*Oasis*" golf course will be reserved for the exclusive use of its members and guests. The expected build-out period is eighteen (18) months. The "*Dunes*" golf course is budgeted in the range of \$5 to \$8 million and will have a more "natural" design. This golf course will be available for member and guest play on a priority basis. It will also be made available for a limited amount of public play, as well as for guests at a potential, to be developed in the future, luxury, five-star hotel as part of the Master Plan. The Development Team references the Golf Course Consultant as Love Design.<sup>12</sup>

The private *Cabo Club* will feature spectacular ocean view home sites and luxury private residence club villas and casitas. Twenty residences are to be located along the beach, and twenty villas will be located on the dunes. One hundred twenty (120) villas will be located in the central portion of the site.

The highlights of the *Cabo Club* will be the creation of an extraordinary world-class golf experience with most holes on both courses having spectacular ocean or lake views; an exclusive oceanfront clubhouse

<sup>9</sup> Diamante Properties LLC Development Overview and Cabo Club Summary, and schedule, author unknown, date not recorded. (Document created 07/14/05)

<sup>10</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

<sup>11</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

<sup>12</sup> MEMORANDUM, Diamante Del Mar, To: Ken Jowdy, Diamante Properties LLC, From: Greg Carrafiello, Diamante Properties LLC, dated October 17, 2005

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and lodge with twenty (20) villas and guest suites, complete dining and full concierge services for members and guests; fully equipped golf and tennis pro shop and tennis complex; world class spa and state of the art fitness center; equestrian center; fishing; swimming pools; beach and other recreational facilities. The home sites and private residence club villas and casitas will all have full concierge services available for a fee.

The Property will include a lake of approximately 300 acres. The lake will run through the original *Cabo Club*, and will also serve as an amenity in attracting hotel and resort developers for the balance of the 3,000 acre parcel. The lake will be available for certain recreational activities including sailing and fishing. The lake will also act as a reservoir for the golf courses that will be built on the Property.

Mr. Najam noted during the telephone interview on February 14<sup>th</sup> that some of the above facilities, in particular the equestrian center, are not currently in the scope of the development. Mr. Najam explained that those proposals were considered as part of the 3,000 acre development option.

Of the approximately 1,500 acres for improvement, Diamante Properties, LLC is in the process of Master Planning the following uses and area allocations<sup>13</sup>:

Golf Courses (Oasis and Dunes):	533.2 acres
Residential Lots (200 House Lots):	322 acres
Villas (180 Villas):	87 acres
Commercial:	5.2 acres
Golf Clubhouse:	11.9 acres
Hotel & Spa:	77.3 acres
Beach Club	13.3 acres
Irrigation lagoons	7.2 acres
Green Space	203.1 acres
Roads and Parking	47.2 acres
Desalination Plant	4.7 acres
Desalinating Well/Pump	1.5 acres
Future Development	196.9 acres

533.2 acres appear appropriate for two golf courses based upon an average golf course layout of approximately 250 acres for 18 holes.

322 acres of the development are allocated for 200 residential home sites. This corresponds to an average lot size of 1.61 acres, or 70,313 square feet each. These lot sizes appear large for residential lots; however accessory land areas, such as drives, roads, sidewalks, may be included and needs to be confirmed. One hundred eighty (180) villas are projected to be situated on 87 acres. The average lot size for the villas is .48 acres, or 21,054 square feet.

None of the documents reviewed provided information regarding water demand projections for the development. It is anticipated that each of the 180 villas, as well as the 200 house lots, will have a water demand of 450 gallons per day (gpd) for a projected total of 171,000 gpd. In addition, the two golf courses can be expected to require 20,000 gpd for irrigation per hole, requiring approximately 720,000 gpd for 36 holes. There will be water demands for the hotel and commercial uses as well, which are not defined in this report.

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<sup>13</sup> Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

Who received the commission?

None of the documents reviewed provided information regarding the design and engineering of the roadways and corresponding infrastructure and utilities that are usually routed in the road right of way. However, with regard to the 47.2 acres allocated for roads and parking above, we project that a 36 foot average R/W would yield approximately 10 miles of roadways.

**Projected Costs:**

Two site development / cash flow projections were provided. The first, dated 01/25/06, was followed by a second cash flow projection nine days later, dated 02/03/06. The following is a comparison of the two cash flow projections.

Code Item	Account Description	1/25/06	02/03/06
1	Land Cost	\$ 72,725,000	\$67,000,000
2	Consultants	\$2,804,000	\$3,229,000
3	Maps, Plans, Reproductions, Photos	\$70,000	\$70,000
4	Legal Fees	\$960,000	\$1,205,000
5	Permits, Fees, Bonds, Entitlements	\$643,000	\$833,000
6	Marketing, HOA	\$4,105,000	\$5,555,000
7	Site Improvements - Residential Lots	\$4,500,000	\$2,000,000
8	Site Improvements - Villas	\$(No Amount)	\$5,000,000
9	Site Improvements - Common / Infrastructure	\$7,750,000	\$6,850,000
10	Community/Golf Maintenance	\$5,085,000	\$5,435,000
11	Golf Course (#1)	\$8,000,000	\$8,000,000
12	Clubhouse/Beachclub	\$3,750,000	\$4,500,000
13	Maintenance Equipment	\$740,000	\$740,000
14	Golf Carts/Facility	\$315,000	\$315,000
15	Personnel	\$1,015,000	\$2,074,000
16	Development Management	\$2,700,000	\$4,650,000
17	General Office Expenses	\$536,700	\$536,700
18	Contingency - General	\$4,271,220	\$4,907,620
	<b>Sub-Total</b>	<b>\$120,401,670</b>	<b>\$123,287,570</b>
19	Sales Commission (6.0%)	\$16,392,000	\$17,310,000
21	Construction Loan Interest, Buyout and Fee	\$101,950,000	\$(No Amount)
22	Construction Loan Principal	\$100,000,000	\$(No Amount)
23	Return of Investor Equity	\$7,000,000	\$(No Amount)
	<b>TOTAL EXPENSES</b>	<b>\$338,443,670</b>	<b>\$140,597,570</b>

Generally, although there is a negative change of approximately eight percent (8%) for land costs (Item #1), the overall projected expenses (Items # 1 through #18) reflect a two percent (2%) increase within the nine day period between the two cash flow projections.

There are discrepancies between the Code Items # of the Summary sheets with the Accounts Detail Sheets. For the following discussion, the Summary Code Item # will be used for reference.

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This is the original repayment for the loans to Jowdy that were promised by Jowdy and Bhatti (from Lehman). They were removed from the final deal with Kenner and his investors -- thus leaving all financiers without repayment from the time of the Lehman closing in March 2006 until present (11 years later)...

The Account Detail – Cash Flow Development Budget<sup>14</sup> has the above Item #9 \$6,850,000 (cash flow projection dated 2/3/06) allocated for “Site Improvements – Common Infrastructure” broken out with undefined costs for:

1. Rough Grading/Earthwork
2. Street Improvements
3. Storm Drains
4. Water
5. Sewer
6. Common Trench (Dry Utilities)
7. Erosion Control
8. Landscaping
9. Blasting
10. Repairs to Improvements

In addition, the detailed breakdown of Code Item #10 Community/Golf Maintenance above (cash flow projection dated 2/3/06), for \$5.4 million includes \$2.8 million for a desalination plant.

According to Greg Carrafiello, the development has plans to construct a private desalination plant for the water demands of the project. Although a diagrammatic layout for the desalination plant was included as part of the web page reference documents, CM&D was unable to make a determination of the projected water generating capacity of the desalination plant. However, it appears the plant will have two storage tanks with a combined capacity of 220,000 gallons.

The anticipated water demand for the residences and villas may be approximately 171,000 gpd, and the golf course's irrigation needs approximately 720,000 gpd. In addition to these water demands, there are water needs for the golf and commercial facilities, fire hydrant system and the future hotel development. Even with the opportunity to use reclaimed, or “gray”, water from wastewater treatment for non-potable uses such as irrigation of the golf courses, the desalination plant should be designed to accommodate these types of projected water demands, and budgeted accordingly.

Also of note is Item #11 Golf Course #1, which shows a budget of \$8,000,000. This would correspond to the “Dunes” golf course, the private/public facility. The budget does not include the projected \$15 to \$20 million “Oasis” golf course. This was confirmed by Greg Carrafiello.

In a telephone interview with Greg Carrafiello on Wednesday February 16<sup>th</sup>, Mr. Carrafiello indicated that the 180 villas would be built in Phase 1; however the cash flow projection does not include costs associated with the vertical construction of the residential buildings.

#### **Projected Schedule:**

According to the documents provided for review<sup>15</sup>, Diamante spent July 2005 through December 2005 taking the first phase of the Development (1,500 acres) through the permitting process, and developing the Master Plan for the second 1,500 acres.

From January 2006 through June 2006, Diamante intended to do the following:

1. *Receive approvals for Phase I, and close on contract #1 by January 24, 2006.*

<sup>14</sup> Diamante Del Mar - Phase 1, Site Development/ Cash Flow Projection Summary Sheet & Account Detail – Cash Flow Site Development Budget, dated 02-03-06

<sup>15</sup> Diamante Properties LLC Development Overview and Cabo Club Summary, and schedule, author unknown, date not recorded. (Document created 07/14/05)

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Jowdy spent over \$15mm on the golf course. The over runs in budget were all THEFT...

2. *Begin the Environmental Impact Study for Phase II*
3. *Finalize engineering and architectural design for Phase I*
4. *Prepare for construction to begin by July 2006 for Phase I*
5. *Complete Founder Membership Program for Cabo Club*
6. *Begin to market parcels in Phase II to attract appropriate hotel and resort developers*
7. *Receive final approvals for Phase II*
8. *Close on contract #2 by June 22, 2006*

(Note: No information was provided referencing "contract #1" or "contract #2")

Specifically, Diamante's weekly action tasks from the beginning of this year are as follows:<sup>16</sup>

Week of 1/1-1/7

1. *Submit Phase I Lot/Subdivision Plan for DGAUOPEBCS (ACERO)*
2. *Prepare Architectural Plans*
3. *Prepare Golf Course Grading/Grassing Plans (Love Design)*

Week of 1/8-1/14

1. *Prepare Architectural Plans*
2. *Prepare Golf Course Grading/Grassing Plans (Love Design)*
3. *Prepare Phase I Lot/Subdivision Plan for DGAUOPEM (ACERO)*
4. *Pre-Meetings with City Officials*

Week of 1/15-1/21

1. *Prepare Architectural Plans*
2. *Finalize Golf Course Grading/Grassing Plans (Love Design)*
3. *Finalize Phase I Lot/Subdivision Plan for DGAUOPEM (ACERO)*
4. *Prepare Overall Master Plan Submission for City of Cabo San Lucas*
5. *Obtain Approval for Phase I Lot/Subdivision Plan for DGAUOPEBCS (Diamante and ACERO)*

Week of 1/22-1/28

1. *Submit Overall Master Plan to City of Cabo San Lucas (Diamante and ACERO)*
2. *Obtain Approval from SEMARNAT on EIS (Diamante and JCB)*
3. *Prepare Overall Master Plan Submission for City of Cabo San Lucas*

Summary

*By the end of January 2006, Diamante expects to have approval of our Environmental Impact Statement from SEMARNAT, the Federal Environmental Regulatory Agency in Mexico, for the proposed activities at the referenced project site.*

*In addition, Diamante expects to have received decisions from State Governmental Agencies for the Baja California Sur Region, approving the Project's Master Plan for Phase I, and the Lot/Subdivision Plan for Phase I.*

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<sup>16</sup> MEMORANDUM, Diamante Del Mar, To: Ken Jowdy, Diamante Properties LLC, From: Greg Carrafiello, Diamante Properties LLC, dated October 17, 2005

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*At the same time, decisions will be pending with the Federal Government (SEMARNAT) regarding a request for a Federal Zone Concession, and Technical Environmental Justification Report.*

*And finally, a request for approval of the Project's Phase I Lot/Subdivision Plan will also be pending with the City of Cabo San Lucas.*

In addition to the above, Diamante has proposed establishing a golf tournament, the *Diamante Cup*, as a marketing and promotional event for the development. This event, to be broadcasted sometime between January and July 2008, has a proposed budget in the range of \$1.995 million (excluding the purse). To meet this proposed broadcast schedule, the Oasis Course will require start of construction by June, 2006, and no later than December, 2007.

According to Greg Carragiello, the Master Plan is at the schematic level and has been submitted to regulatory agencies for their review and approval. The architectural design and engineering is conceptual, and formal architectural services will proceed after the end of this month (February).

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**LIMITATION OF RESPONSIBILITY:**

This assessment is not intended to assume any responsibility for the project, or the information provided for review for this report. Time constraints and physical limitations have prevented verification of data and information provided for the preparation of this report.

The comments contained within the report are submitted for the Client's consideration only. The services of CM&D have been retained by the Client (Lehman Brothers) as the Client's independent advisor for the project and all reports, both written and verbal, are for the sole benefit of the Client and shall not be relied upon or enforced by any other person, firm, corporation or other entity.

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**REFERENCES:**

TOPOGRAPHIC MAP, dated March, 17, 2005

DIAMANTE DEL MAR SOUTH, Marketing & Production Plan, by Maggie Vision Productions & Mandt Bros. Productions, date not recorded

MEMORANDUM, Diamante Del Mar, To: Ken Jowdy, Diamante Properties LLC, From: Greg Carrafiello, Diamante Properties LLC, dated October 17, 2005

Diamante Properties LLC Development Overview and Cabo Club Summary, and schedule, author unknown, date not recorded. (Document created 07/14/05)

Diamante South Overview – Cabo San Lucas, Baja Sur, Mexico, by Cascade Capital Group, dated November 2005.

Diamante Del Mar - Phase 1, Site Development/ Cash Flow Projection Summary Sheet & Account Detail – Cash Flow Site Development Budget, dated 01-25-06

Diamante Del Mar - Phase 1, Site Development/ Cash Flow Projection Summary Sheet & Account Detail – Cash Flow Site Development Budget, dated 02-03-06

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**EXHIBITS**

Exhibit A TOPOGRAPHIC MAP, dated March, 17, 2005

Exhibit B Master Plan

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**EXHIBIT A**

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## Proposed Project Site Plan



**MASTER PLAN**

**EXHIBIT B**

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February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**  
**Statement Of Probable Cost - Conceptual**

**SUMMARY OF COSTS - LEVEL 1**

DESCRIPTION	TOTAL PROJECT COSTS
1 PERMIT, LICENSES & FEE	\$ 1,333,000
2 CONSTRUCTION COSTS	\$ 39,523,800
2A OTHER CONSTRUCTION COSTS	\$ 65,635,000
3 SALES BUILDING	\$ 400,000
4 FF&E COSTS	\$ 3,555,000
5 SIGNAGE	\$ 64,000
6 EQUIPMENT	\$ 218,320
7 SYSTEMS	\$ -
8 OPERATING EQUIPMENT	\$ 1,155,000
9 INVENTORY	\$ -
10 DESIGN & PM COSTS	\$ 4,961,000
11 PRE-OPENING - included in # 15	\$ -
12 DEVELOPMENT COST	\$ 220,000
13 TAXES & LEGAL	\$ 1,205,000
14 FINANCING COST	\$ 67,000,000
15 MARKETING	\$ 5,155,000
16 OTHER	\$ 12,168,320
17 ESCALATION (4.5%Construction)	\$ 4,733,000
18 CONTINGENCY (10% Construction)	\$ 10,516,000
19 CONTINGENCY (5% soft costs)	\$ 4,263,400
<b>Total</b>	<b>\$ 222,105,840</b>

**GRAND TOTAL \$ 222,105,840**





February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**  
**Project Costs - Level 2**  
**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION	TOTAL	GROUP TOTAL
<b>1 PERMIT, LICENSES &amp; FEE</b>		<b>\$ 1,333,000</b>
Permit Fees	\$ 833,000	
Bonds/Entitlement	included	
Park Fee	n/a	
Road (Transportation) Fee	n/a	
Connector Road Fees	n/a	
Less Park, Road, Connector Re-imbursibles	n/a	
Water Fee by Builder of Parcels	n/a	
<i>Piped Utility Fees</i>	????????????	
<i>Power Connection Fee</i>	????????????	
<i>Other Permit, Licenses &amp; Fees</i>	\$ 500,000	
<b>Total</b>	<b>\$ 1,333,000</b>	
<b>2 CONSTRUCTION COSTS</b>		<b>\$ 39,523,800</b>
Sitework	\$ 23,478,800	
Off-site work	\$ -	
Parcel Roads	\$ 11,086,000	
Parcel Utilities	\$ 4,959,000	
<b>Total</b>	<b>\$ 39,523,800</b>	
<b>2A OTHER CONSTRUCTION COSTS</b>		<b>\$ 65,635,000</b>
<i>Villas - 180 each @ 3500sf</i>	\$ 47,250,000	
Spa and Health Club	\$ 980,000	
Golf Course - 18 holes	\$ 8,010,000	
Golf Clubhouse	\$ 2,800,000	
Other Structures	\$ 1,700,000	
<i>Maintenance Building</i>	\$ 1,895,000	
<i>Golf Academy</i>	\$ 3,000,000	
Tennis Complex and Courts	in other structures	
<b>Total</b>	<b>\$ 65,635,000</b>	
<b>3 SALES BUILDING</b>		<b>\$ 400,000</b>
<b>Total</b>	<b>\$ 400,000</b>	



February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**

**FF&E/OS&E Budget**

**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION		TOTAL
<b>4</b>	<b><u>FF&amp;E</u></b>	<b>\$ 3,555,000</b>
	<i>Sales Center</i>	\$ 100,000
	<i>Spa</i>	\$ 700,000
	<i>Clubhouse</i>	\$ 1,500,000
	<i>Golf Academy</i>	\$ 1,250,000
	FF&E Sub-Total	\$ 3,550,000
	FF&E Warehousing & Installation	\$ 5,000
	FF&E Tax	included
	FF&E Freight	included
	<b>FF&amp;E Total</b>	<b>\$ 3,555,000</b>
<b>5</b>	<b><u>SIGNAGE</u></b>	<b>\$ 64,000</b>
	Interior/Exterior Signage	\$ -
	<i>Entry Sign</i>	\$ 64,000
	Signage Sub-Total	\$ 64,000
	Signage Tax	\$ -
	<b>Signage Total</b>	<b>\$ 64,000</b>
<b>6</b>	<b><u>EQUIPMENT</u></b>	<b>\$ 218,320</b>
	Lockers & Shelving	\$ -
	Engineering Equipment	\$ -
	<i>Security Department</i>	\$ 200,000
	Equipment Sub-Total	\$ 200,000
	Equipment Tax	\$ 8,320
	Equipment Freight	\$ 10,000
	<b>Equipment Total</b>	<b>\$ 218,320</b>



February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**

**FF&E/OS&E Budget**

**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION		TOTAL
<b>7</b>	<b><u>SYSTEMS</u></b>	<b>\$ -</b>
	Systems	n/a
	Telephone Switch & Instruments	\$ -
	Cabling	\$ -
	<b>Systems Total</b>	<b>\$ -</b>
<b>8</b>	<b><u>OPERATING EQUIPMENT</u></b>	<b>\$ 1,155,000</b>
	Maintenance Equipment	\$ 740,000
	Golf carts/Facilities	\$ 315,000
	<b>Operating Equipment/Miscellaneous</b>	<b>\$ 100,000</b>
	Sub-total Operating Equipment	\$ 1,155,000
	Operating Equipment Tax	included
	Operating Equipment Freight	included
	<b>Total Operating Equipment</b>	<b>\$ 1,155,000</b>
<b>9</b>	<b><u>INVENTORIES</u></b>	<b>\$ -</b>
	Inventories	\$ -
	<b>Sub-total Inventories</b>	<b>\$ -</b>
	Inventory Tax	\$ -
	Inventory Freight	\$ -
	<b>Total Inventory</b>	<b>\$ -</b>



February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**  
**Design and Project Management Cost**  
**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION	TOTAL	GROUP TOTAL
<b>10 Design and Project Management</b>		<b>\$ 4,961,000</b>
<b>Architect and Subconsultants</b>		
Acoustical Consultant		
<b>Archaeologist Consultant</b>	<b>50,000</b>	
Architectural	820,000	
Civil Engineering	900,000	
Civil Engineering - Off-site/Hydrology	n/a	
Code Consultant	n/a	
Glazing Consultant	n/a	
<b>Electrical Consultant</b>	<b>150,000</b>	
Elevator Consultant	n/a	
Geotechnical Consultant	148,000	
Golf Course	850,000	
<b>Golf Course Irrigation Design Consultant</b>	<b>100,000</b>	
<b>Graphics/Signage Consultant</b>	<b>20,000</b>	
Hardscape	n/a	
<b>Interior Design - villas</b>	<b>75,000</b>	
Landscape Consultant	305,000	
Life Safety Consultant	n/a	
Mechanical /Plumbing Consultant	n/a	
Ordinance Disposal Consultant	n/a	
Specialty Consultant	206,000	
<b>Structural Consultant</b>	<b>100,000</b>	
Subdivision	n/a	
<b>Surveying/Topographic Consultant</b>	<b>50,000</b>	
<b>Waste Water (STP) Consultant</b>	<b>200,000</b>	
<b>Water Feature Consultant</b>	<b>50,000</b>	
Waterproofing Consultant	n/a	
Blueprints/Reproductions	80,000	
<b>Miscellaneous Consultants</b>	<b>50,000</b>	
Additional Insurance Premium	n/a	
<b>Reimbursables 4%</b>	<b>172,000</b>	
<b>Design Contingency 5%</b>	<b>215,000</b>	
<b>Total</b>	<b>\$ 4,541,000</b>	



February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**  
**Design and Project Management Cost**  
**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION	TOTAL	GROUP TOTAL
<b>Entitlements/Master Plan</b>		
<b>Architect</b>	<b>100,000</b>	
Acoustical Study	n/a	
Air Quality Study	n/a	
<b>Archaeologist Consultant Study</b>	<b>20,000</b>	
<b>Botanical/Arborist Study</b>	<b>25,000</b>	
Community Outreach/Public Relations	n/a	
Entitlement Coordinator	n/a	
Entitlement Engineer (Wind, Sound, Utilities)	n/a	
Entitlement Exactions	n/a	
Fauna Study	n/a	
<b>Landscape Architect</b>	<b>5,000</b>	
Market Study Consultant	n/a	
Parking Management Study	n/a	
Political Lobbyist	n/a	
<b>Renderings, Displays, Presentation Material etc.</b>	<b>30,000</b>	
Transportation/Traffic Study	n/a	
<b>Specialty Consultants</b>	<b>50,000</b>	
<b>Contingency</b>	<b>25,000</b>	
<b>Total</b>	<b>\$ 255,000</b>	
<b>Project Management</b>		
Entitlements	-	
Pre-construction Design	-	
Construction	-	
Reimbursables including GET Tax	-	
<b>Total</b>	<b>\$ -</b>	
<b>Special Inspection</b>		
<b>Special Inspection</b>	<b>20,000</b>	
<b>Material Testing</b>	<b>50,000</b>	
<b>Soil Testing/Compaction</b>	<b>75,000</b>	
<b>Misc. Testing</b>	<b>20,000</b>	
<b>Total</b>	<b>\$ 165,000</b>	



February 16, 2006

**PROJECT: Diamante, Cabo San Lucas, Baja Sur, Mexico**  
**Pre-Opening & Development Cost**  
**Statement Of Probable Cost - Conceptual**

ITEM DESCRIPTION	TOTAL	GROUP TOTAL
<b>11 PRE-OPENING - included in # 15</b>		<b>\$ -</b>
Management Fee	included	
Sales Start-up	included	
Marketing & Advertising	included	
Grand Opening	included	
Total	<b>\$ -</b>	
<b>12 DEVELOPMENT COST</b>		<b>\$ 220,000</b>
Insurance Wrap-up Liability	\$ -	
<b>Builders Risk Insurance (Buildings only)</b>	<b>\$ 220,000</b>	
Developer Fee	\$ -	
Total	<b>\$ 220,000</b>	
<b>13 TAXES &amp; LEGAL</b>		<b>\$ 1,205,000</b>
<b>Property Taxes</b>	<b>????????????</b>	
Legal	\$ 1,205,000	
Land Acquisition	included	
Planning and Entitlement	included	
Residential Sales	\$ -	
Condo Documentation	\$ -	
Legal Architectural & Construction	included	
Legal - Development/Leasing	included	
Legal - Other	included	
Sale Documentation	included	
Finance - Lender Legal	included	
Finance - Borrower Legal	included	
Accounting	included	
Insurance	\$ -	
Other Taxes & Legal	\$ -	
Total	<b>\$ 1,205,000</b>	



**14 FINANCING COST**

Land Acquisition	\$	67,000,000
Land Loan Interest	\$	-
<b>Closing Cost</b>		????????????
Commitment Fee	\$	-
Interest Reserve	\$	-
Construction Loan Interest	\$	-
<b>Cap Interest</b>		????????????
Broker Fee	\$	-

Total \$ 67,000,000

**\$ 67,000,000**

**15 MARKETING**

Marketing & Entitlement	\$	5,155,000
General Photograh		included
Rendering		included
Market Study		included

Total \$ 5,155,000

**\$ 5,155,000**

**16 OTHER**

Other Development Contingency	\$	4,907,620
Personnel/Other	\$	2,074,000
Development Management	\$	4,650,000
General Office Expenses	\$	536,700

Total \$ 12,168,320

**\$ 12,168,320**

# DIAMANTE DEL MAR SOUTH SUMMARY



Construction Management and Development

Site Area	1,510 Acres	
Residential Units	200 each	<b>NOT PART OF THIS BUDGET</b>
Villas	180 each	

## SUMMARY - SITEWORK

SITEWORK	23,478,800
OFF-SITE WORK	0
PARCEL ROADWAYS	11,086,000
PARCEL UTILITIES	4,959,000

<b>VILLAS - 180 EACH @ 3500sf</b>	630000	sf	75.00	<b>47,250,000</b>
SPA AND HEALTH CLUB	7,000	sf	140.00	980,000
GOLF COURSE	18	hole	445,000	8,010,000
CLUB HOUSE	20,000	sf	140.00	2,800,000
OTHER STRUCTURES	1	ls	1,700,000	1,700,000
<b>MAINTENANCE BUILDING</b>	1	ls	1,895,000	<b>1,895,000</b>
<b>GOLF ACADEMY</b>	25,000	sf	120.00	<b>3,000,000</b>
<b>TENNIS COMPLEX/COURTS - 6 each</b>		<i>in other structures</i>		0

		<b>105,158,800</b>
<b>CONTINGENCY</b>	10%	<b>10,516,000</b>
<b>ESCALATION</b>	4.5%	<b>4,733,000</b>
<b>TOTAL</b>		<b>120,407,800</b>

**SITEWORK  
SPLINE ROAD**

Construction Management and Development

	QTY	UNIT	UNIT RATE	TOTAL
<b>SITEWORK - SPLINE ROAD</b>				
<b>01 General Requirements</b>				<b>331,000</b>
Environmental Protection	1	ls	20000.00	20,000
Field Engineering				
Surveying	1	ls	40000.00	40,000
Quality Control				
Testing	1	ls	15000.00	15,000
Mobilization	1	ls	14000.00	14,000
Temporary Road	200,000	sf	0.35	70,000
Dust Control	8,500	lf	12.00	102,000
Silt Fence	15,000	lf	2.00	30,000
General and Final Cleaning	1	ls	40000.00	40,000
<b>02 SITEWORK</b>				<b>23,147,800</b>
<b>Site Preparation</b>				<b>5,398,000</b>
Clear & Grub	850.0	ac	1400.00	1,190,000
Load, Haul and Dispose	850.0	ac	300.00	255,000
Lot Conservation Area	200.0	ac	240.00	48,000
Rough Grading	850.0	ac	1200.00	1,020,000
Topsoil, Seed and Mulch Parcels	322.0	ac	2500.00	805,000
Mass Excavation and Embankment	650,000	cy	3.20	2,080,000
<b>Roadways</b>				<b>2,803,800</b>
Rough Grade Roadways	700,000	sf	0.08	56,000
Fine Grade	700,000	sf	0.12	84,000
Base - 6"	24,000	tn	12.00	288,000
Hot Mix Asphalt base 3"	78,000	sy	10.00	780,000
AC Paving 1-1/2" plus 1-1/2"	78,000	sy	12.00	936,000
Pavement Striping	14,000	lf	0.50	7,000
Curb and Gutter	28,000	lf	8.10	226,800
Underdrain System	28,000	lf	5.50	154,000
Sidewalk 4' wide	112,000	sf	2.40	268,800
Signage	16	ea	200.00	3,200
<b>Site Utilities</b>				<b>10,085,000</b>
Domestic & Fire Water	14,000	lf	25.00	350,000
Fittings, Backflow Preventer, Valves, Boxes	1	lot	50,000	50,000
Fire Hydrants (Developed Roads)	50	ea	1,200.00	60,000
Waste Water Treatment Plant	1	ea	2,150,000	2,150,000
Reclamation Lines	50,000	lf	6.00	300,000
Holding Tanks	1	ea	350,000	350,000
Sanitary Sewer Collection	14,000	lf	25.00	350,000
Lift Station (vertical lift only)	3	ea	8,000	24,000
Pump Station (vertical and horizontal)	2	ea	15,000	30,000
Manholes	44	ea	1,500	66,000
Storm Drainage 15" to 33" RCP	14,000	lf	25.00	350,000
Inlets	55	ea	1,200	66,000
Manholes	12	ea	1,500	18,000
End Sections	5	ea	1,200	6,000
SWM Ponds	10	ea	25,000	250,000
Potable Development Water System				
Brackish Wells	3	ea	250,000	750,000
Reservoirs	3	ea	300,000	900,000
Transmission Lines	15000	lf	60	900,000
Desalination Plant				
Sitework	1	ls	220,000	220,000
Plant Construction	1	ls	1,950,000	1,950,000
Injection Wells	1	ls	225,000	225,000
Transmission Lines	40000	lf	18	720,000
<b>Site Electrical</b>				<b>2,488,000</b>
Street Light - 200' spacing	140	ea	1,200	168,000
Electrical Distribution	14000	lf	60	840,000
Telephone	14000	lf	20	280,000
Sub-station	1	ls	1,200,000	1,200,000
Cable				
NIC				
<b>Landscaping</b>				<b>2,373,000</b>
Street Trees - 40' O.C.	700	ea	150.00	105,000
Landscaping and Irrigation	224000	sf	3.00	672,000
Hardscape - masonry walls w/ stucco	168000	sf	9.50	1,596,000
<b>TOTAL</b>				<b>23,478,800</b>

**OFF-SITE**

**Construction Management and Development**

	QTY	UNIT	UNIT RATE	TOTAL
OFFSITE				
ALL WORK TO BE PERFORMED BY MUNICIPALITY				
TOTAL				0

## PARCEL ROADS

### Construction Management and Development

	QTY	UNIT	UNIT RATE	TOTAL
<b>PARCEL ROADS</b>				
<b>02 SITEWORK</b>				<b>11,086,000</b>
<b>Roadways</b>				<b>6,386,000</b>
<i>Rough Grade Roadways</i>	1,440,000	sf	0.08	<b>115,200</b>
<i>Fine Grade</i>	1,440,000	sf	0.12	<b>172,800</b>
<i>Base - 6"</i>	48,000	tn	12.00	<b>576,000</b>
<i>Hot Mix Asphalt base 3"</i>	160,000	sy	10.00	<b>1,600,000</b>
<i>AC Paving 1-1/2" plus 1-1/2"</i>	160,000	sy	12.00	<b>1,920,000</b>
<i>Pavement Striping</i>	40,000	lf	0.50	<b>20,000</b>
<i>Curb and Gutter</i>	0	lf	8.10	<b>0</b>
<i>Underdrain System</i>	80,000	lf	5.50	<b>440,000</b>
<i>Sidewalk 4' wide</i>	640,000	sf	2.40	<b>1,536,000</b>
<i>Signage</i>	30	ea	200.00	<b>6,000</b>
<b>Site Electrical</b>				<b>3,440,000</b>
<i>Street Light - 200' spacing</i>	200	ea	1,200	<b>240,000</b>
<i>Electrical Distribution</i>	40000	lf	60	<b>2,400,000</b>
<i>Telephone and Cable</i>	40000	lf	20	<b>800,000</b>
<i>Cable</i>				<b>NIC</b>
<b>Landscaping</b>				<b>1,260,000</b>
<i>Street Trees - 40' O.C.</i>	2000	ea	150.00	<b>300,000</b>
<i>Landscape and Irrigation</i>	480000	sf	2.00	<b>960,000</b>
<b>TOTAL</b>				<b>11,086,000</b>

## PARCEL UTILITIES

### Construction Management and Development

	QTY	UNIT	UNIT RATE	TOTAL
<b>PARCEL UTILITIES</b>				
<b>02 SITEWORK</b>				<b>4,959,000</b>
<b>Site Utilities</b>				<b>4,959,000</b>
<i>Domestic &amp; Fire Water (to Parcels for Distribution)</i>	40,000	lf	25.00	<b>1,000,000</b>
<i>Fittings, Backflow Preventer, Valves, Boxes</i>	1	lot	100,000	<b>100,000</b>
<i>Fire Hydrants (Developed Roads)</i>	200	ea	1,200.00	<b>240,000</b>
<i>Sanitary Sewer Collection</i>	15,000	lf	25.00	<b>375,000</b>
<i>Residential Units by Builder</i>	0	ea	0	<b>0</b>
<i>Villas - Individual septic tanks</i>	180	ea	8,400	<b>1,512,000</b>
<i>Storm Drainage 15" to 33" RCP</i>	15,000	lf	25.00	<b>375,000</b>
<i>Inlets</i>	60	ea	1,200	<b>72,000</b>
<i>Manholes</i>	14	ea	1,500	<b>21,000</b>
<i>End Sections</i>	10	ea	1,200	<b>12,000</b>
<i>Telephone</i>	40000	lf	18	<b>720,000</b>
<i>Dwelling Connections</i>	380	ea	800	<b>304,000</b>
<i>Electrical Handholes</i>	380	ea	600	<b>228,000</b>
<b>TOTAL</b>				<b>4,959,000</b>